

Subject Energy Benchmarking for Buildings

Authors Kraft

Analyst Bob Eleff

Date March 13, 2023

Overview

House File 2269, as amended by H2269DE1, creates a program that requires owners of buildings of 50,000 square feet or more to annually document each building's energy use via an EPA computerized benchmarking tool and send the information to the Department of Commerce.

Summary

Section	Description
---------	-------------

1	[216C.331] Energy benchmarking.
---	--

Subd. 1. Definitions. Defines terms. "Covered property" excludes residential buildings with fewer than five dwelling units, and all industrial and agricultural buildings.

Subd. 2. Establishment. Establishes an energy benchmarking program in the Department of Commerce to make owners and tenants aware of a building's energy use and how it compares with energy consumption in similar buildings.

Subd. 3. Classification of covered properties. Divides covered properties into two classes: 50,000-99,999 square feet (Class 2) and 100,000 square feet and over (Class 1).

Subd. 4. Benchmarking requirement. Requires building owners to benchmark (using the EPA's computerized benchmarking tool), obtaining energy use data from a master meter or from the utility serving the building.

Subd. 5. Exemption by individual building. Buildings may be exempt from benchmarking if the owner provides evidence satisfactory to the commissioner that the building is in financial distress, or, during the previous year, had an

Section **Description**

occupancy rate below 50 percent, was issued a demolition permit, or received no energy services for at least 30 days.

Subd. 6. Exemption by other government benchmarking program. Provides an exemption for buildings subject to a local benchmarking requirement at least as stringent as this one.

Subd. 7. Benchmarking schedule. Requires Class 1 covered properties to benchmark by June 1, 2024, and Class 2 properties a year later.

Subd. 8. Utility data requirements. Specifies a process under which a building owner can request a utility to provide aggregated energy use data for several customers.

Subd. 9. Data collection and management. Requires the department to provide technical assistance to building owners regarding the benchmarking tool. Requires the department to rank the performance scores (energy use/sq. ft.) of similar buildings, and divide buildings into quartiles based on performance.

Subd. 10. Data disclosure to public. Requires the commissioner to post on its website statistics on energy use for all covered properties.

Subd. 11. Coordination with other benchmarking programs. Requires the commissioner to coordinate with local benchmarking programs, and sets standards for local programs and conditions under which they are considered to be more stringent than the state program.

Subd. 12. Building performance disclosure to occupants. Requires the commissioner to provide materials disclosing building performance to a building owner for prominent display in the building.

Subd. 13. Notifications. Requires the commissioner to notify building owners by March 1 that benchmarking must be completed by June 1.

Subd. 14. Program implementation. Authorizes the commissioner to contract with a third party to implement all or a portion of the department's duties under this section.

Subd. 15. Enforcement. Provides that if a building owner fails to benchmark by July 15, or August 15 if the owner has received an extension from the commissioner, a fine of \$1,000 may be imposed.

Section	Description
---------	-------------

2 Appropriation.

Appropriates \$1,000,000 in fiscal years 2024 and 2025 to the commissioner of commerce to implement the benchmarking program.

Appropriates \$750,000 to the commissioner for grants to cooperatives and municipal utilities to support the development of technology to implement the benchmarking program.

Appropriates \$750,000 to the commissioner of higher education for a grant to Building Owners and Managers Association Minneapolis to partner with three technical colleges to increase the number of building engineers in Minnesota.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155